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Michaela Community Schools Trust

Academy Trust Financial Internal Scrutiny
Scope of Work 2023/24

Juniper Education provide Financial Internal Scrutiny for more than 300 academies at present and continue to grow this side of the business. The work undertaken in academies is designed to support the following requirements of academy trusts:

a) trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and other controls, and risk management procedures, are operating effectively (Section 3.1 of the Academy trust handbook). The service we provide supports audit committees or other committees with delegated audit responsibility and/or appointed Responsible Officers in complying with this requirement.
b) The Accounting Officer's 'statement on regularity, propriety and compliance' which must be included in the academy trust's annual report, Section 4.13 of the Academy trust handbook.

An internal scrutiny programme should be driven by the risk register, and formally approved by trustees. Trustees are required to agree an internal control programme that covers both financial and non-financial risk, however, it may not be realistic to expect an internal scrutiny review on all areas of the risk register in year one, so should look at implementing a three-to-five-year internal scrutiny programme.

Annex 3 of the DofE guidance "Internal scrutiny in academy trusts" recommends reporting the of cost of internal scrutiny work in terms of auditor days used. To align with this guidance our scope areas are allocated on this basis. An 'auditor day' will include review preparation, meetings or site visits, and report production, including the annual trustee summary report. Once scope areas have been selected, the number of auditor days required will be calculated for the trust's approval.

Meeting dates would be agreed in advance to try and ensure key academy staff are available which will help each review run smoothly. Prior to each review a detailed list of the required supporting information and documentation will be sent to the academy to aid preparation.

Our team of Review Consultants include a number of professionally qualified accountants who have experience of working in both commercial and educational establishments.

Standard Internal Scrutiny Review templates are used to review and test an academy's internal controls and procedures. These templates are regularly reviewed and updated to incorporate legislative changes, updated ESFA guidance, and guidance offered by statutory auditors. The evaluation is designed to provide members/trustees/local governors of academies with a level assurance that appropriate financial controls are in place within the academy trust for which they

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have responsibility and include testing of adherence to the approved Schemes of Delegation of Financial Power and compliance with the Academy trust handbook.

A flexible approach is offered to academies and multi academy trusts, and we will customise our programme of work to suit the requirements of an audit committee. Additional work can be undertaken if agreed in advance, for which there will be an additional cost. Any change to the standard programme must be discussed with Carly Quick-Crockford, Audit Manager, by email Carly.QuickCrockford@junipereducation.org or by phoning our Governance Support Helpdesk on 0345 646 0515.

A brief outline of the scope of work for 2023/24 is as follows:

Governance Framework
Internal scrutiny of controls and processes relating to policies, transparency, publication of information.
Financial Oversight & Appointments
Suitability of members
Gifts
Risk
Business Continuity
Internal Scrutiny - Audit and Risk Committee
ESFA Oversight – 'Dear Accounting Officer' letter & Schools resource management self-assessment checklist.
Whistleblowing
Data protection
Unresolved Issues
Additionally, **single academy trust** reviews include the items below:
Related Party Transactions - Register of Interests
Related Party Transactions - Declaration of Interest Forms
Related Party Transactions - Conflicts of Interest
Related Party Transactions – Reporting
Transparency – Publication
Transparency – GIAS

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Financial Governance
Internal controls and processes in place for Reporting, Scheme of Delegation and Financial Planning and Monitoring.
Scheme of Delegation
Financial Scrutiny
Financial Planning
Expenses
Budget Monitoring
Reporting to trustees
Control Account Reconciliations
Bad Debts
VAT
Unresolved issues

Banking
Review to establish the effectiveness of the controls and processes for banking and BACS transactions.
Bank Account Structure
Authorised Signatories
BACS
Bank Reconciliation
Sample testing of bank reconciliations
Cheque payments
Unresolved Issues

Income
Review to determine the controls and process in place for income and, if applicable, testing to determine the effectiveness of the controls.
Income processing policies and procedures
Wraparound care
School Meals
Trips and activities
Cash Income
Online income
Centralised MATS
Unresolved issues

Procurement

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Review to establish the effectiveness of controls and processes for all areas of procurement.
Related party transactions
Purchase card
Quotations
Tenders
Authorisation levels
Expenditure sample testing
Value for Money
Unresolved issues

Payroll
Review to determine the appropriateness and effectiveness of the controls and processes in place, around administration, approval, and segregation of duties in all areas of payroll processing.
Staff Appointments
Additional payroll transactions
Payroll amendments – Pay policy
Administration
Process
Controls and checks

Balance Sheet Management
Review to determine the appropriateness and effectiveness of the controls and processes in place, around administration, approval, and segregation of duties in all areas of balance sheet management
Policies and Procedures
Aged Creditors
Aged Debtors
Control Account Reconciliations
Bank Account Reconciliations (if not subscribed to Banking)

Note: the contents of above sections are subject to constant review and change based on updated guidance. Other areas of internal control may be reviewed at the discretion of the Review Consultant.

Delivery dates of reports are agreed between the consultant and finance lead at the academy and are conditional on dates agreed for submission of information being met.

Summary of Audit Days subscribed:

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Description	Number of Days
Financial	3

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